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**HF 117** – Flood and Erosion Control Tax Levy Authority (LSB2046YH)  
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Fiscal Note Version – New

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**Description**

**House File 117** extends the optional county **Flood and Erosion Control Levy** to all property subject to property tax within a county. Under current law, the levy may only be applied to agricultural lands. The change is effective July 1, 2018 (FY 2019).

**Background**

The maximum allowed Flood and Erosion Control Levy a county may impose is \$0.0675 per thousand dollars of taxed value. Funds raised by the levy are to be used for flood and erosion control. Currently, no county imposes this optional property tax levy.

**Fiscal Impact**

If the current optional levy was applied statewide, it would raise \$2.1 million, based on the assessment year (AY) 2015 taxed value of all agricultural land in the State. If the levy was applied to all the AY 2015 taxed property in the State, the levy would raise \$11.1 million. Of this potential \$11.1 million, \$731,000 would be incremental property tax and would be allocated to finance Tax Increment Financing (TIF) projects instead of flood and erosion control.

Since the levy is not currently being used, it is not possible to say what portion, if any, of the potential \$11.1 million would be raised if the levy is extended to all taxed property.

**Sources**

Department of Revenue  
Department of Management property tax valuation and rate files  
Legislative Services Agency calculations

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/s/ Holly M. Lyons  
February 23, 2017

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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